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C O N F I D E N T I A L SECTION 01 OF 02 ROME 000192

SIPDIS

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TAGS: [PGOV](#) [PREL](#) [IT](#)
SUBJECT: VELTRONI RESIGNS, PD ON LIFE SUPPORT

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[1](#)B. B 08 ROME 001279

ROME 00000192 001.2 OF 002

Classified By: A/POL J. Liam Wasley for reasons 1.4(b) and 1.4(d).

Summary

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[1](#)1. (C) The opposition Democratic Party (PD) could ultimately face fracture after party leader Walter Veltroni stepped down yesterday citing the February 15-16 defeat in regional elections in Sardinia. Veltroni's resignation leaves PD flat-footed in advance of the European Parliament elections in June. While many PD officials and leaders had been looking beyond Veltroni since he led the party to defeat in last year's national elections, no one wanted him to resign before the European elections. PD now faces the prospect of having to reorganize under a new leadership before elections that many of our PD contacts are expecting to go badly. PD politicians with ambitions to become prime minister will be wary to take the helm at this point, and some contacts are predicting the PD could split up before the European elections. Veltroni's resignation is not an unqualified victory for the center right, which now lacks the interlocutor it needs to pass key structural reforms in the Parliament. End Summary

Next Steps for the PD

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[1](#)2. (C) Tired of being the whipping boy for PD's losses, Veltroni decided to leave after the big February 15-16 defeat in Sardinia and the defeat of his candidate in the Florence mayoral primary rather than having to absorb the expected loss in the European elections in June. Had he not left on his own accord, Veltroni may well have faced the prospect of being forced out in the planned party congress this fall. His early exit surprised his attackers, and leaves PD officials and politicians wondering how the party will manage to right itself. PD announced that on Saturday the party will decide whether to choose an interim leader or hold an early party congress. It is too early for serious hypotheses for Veltroni's successor to be circulating. PD's gloomy prospects in the June elections may cause leading contenders for future party leadership such as Pierluigi Bersani and Enrico Letta to put these ambitions on hold until the party is in a somewhat better position. PD may have a caretaker leader for several months until a permanent solution can be found. Until a decision is made on a long-term caretaker or a new leadership race, Dario Franceschini--Veltroni's deputy with a background in Catholic movements on the center left--will run

the party.

13. (C) Many PD heavyweights were never convinced that a single party on the center left would ever manage a victory. (Ref A) These colonels continued to run their own wings of the party and withheld their full support from Veltroni. The center-left's poor performance in last year's national elections and then the beatings it took in the regional elections in Abruzzo and Sardinia have further convinced these elements that a broad center left coalition rather than a single party would be more competitive with the center right. (Ref B) The leading exponent of this strategy is former Prime Minister Massimo D'Alema, and he is best positioned to be the kingmaker for new leadership on the center left. For months PD contacts have been telling us that D'Alema would like to eliminate the internal tension in the party by allowing the Catholic wing commanded by Francesco Rutelli to leave the party and instead form a coalition with the rump PD. At the same time, we have heard that Rutelli is deeply unhappy with the PD and feels marginalized. A contact in Pierferdinando Casini's Catholic party Union of the Center told PolOff today that Rutelli is constantly weighing the possibility of joining Casini. It is an open question whether a new PD leader will manage to keep these different forces together before the European elections.

No Interlocutor for the Center Right

14. (C) As leader of the opposition with a shadow cabinet, Veltroni had been an interlocutor for the center right on a range of reforms that can be passed more easily with bipartisan support. These included judicial reform and parliamentary procedure reform. Without Veltroni in power and with a deeper crisis in PD, the center right lacks an interlocutor. A center-right journalist told PolOff that this will lead to gridlock on some of these reforms, and could spark more squabbling within the center right as it will have no need to present a common front against the center left. Thus far neither privately nor in the press have center right contacts expressed schadenfreude for the demise of Veltroni, indicating that it was in the center-right's interests to

ROME 00000192 002.2 OF 002

have a clear--albeit weak--PD leader.

Comment

15. (C) The most likely scenario that PD contacts are discussing is a return to some sort of center left coalition with a rump PD still bigger than any center left party in the past, but in alliance with a far left party and a center Catholic party. It is not clear how long it will take PD to reorganize. The party congress was expected to take place in October, and the selection of a new leader would have to be done through the same sort of primary that selected Veltroni in 2007. That timetable will probably be accelerated, but until PD leadership makes these decisions--probably over the weekend--the timing of the next steps for PD is unclear. With Veltroni no longer able to stomach PD's deep divisions and repeated anemic electoral performances, Italy's major opposition party is without a leader or a clear future. End Comment.

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